



STATE OF WEST VIRGINIA
OFFICE OF THE ATTORNEY GENERAL
DARRELL V. MCGRAW, JR.
CONSUMER PROTECTION DIVISION
1-800-368-8808 or 304-558-8986

Press Release

FOR IMMEDIATE RELEASE

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Attorney General McGraw Sues Texas Debt Settlement Company

Attorney General Darrell McGraw today sued Able Debt Settlement, Inc. of Irving, Texas, seeking injunctive relief and restitution for consumers who paid for debt settlement but only received ruined credit and debt collection calls. Able Debt Settlement, formerly of Dallas, Texas, claims to settle consumers' debts. Many consumers find out, however, that Able Debt Settlement doesn't settle debts and then refuses to refund exorbitant fees.

McGraw's Consumer Protection Division started an investigation of Able Debt Settlement in 2007 and obtained an injunction against the company when it refused to comply with the investigation. Able tried to stop McGraw by twice asking the West Virginia Supreme Court to intervene. The Court refused Able Debt Settlement's petitions, allowing McGraw to continue the investigation.

Although debt settlement services are unrestricted in some states, West Virginia's law regarding debt settlement only permits for-profit companies to charge a fee of two percent of the payments made by consumers. In his complaint, Attorney General McGraw is alleging that Able Debt Settlement was charging more than the two percent fee allowed by state law and not settling debts.

"Debt settlement companies that simply sign consumers up, take their money and then fail to negotiate debts on behalf of consumers will not be tolerated in West Virginia," said Attorney General McGraw. "Consumers in desperate financial situations should consult an attorney or non-profit credit counseling agency before paying any money to an unknown debt settlement company," he said.

The debt settlement industry has arisen as consumer credit card debt has ballooned in the past few years. Debt settlers claim to make repayment plans to help consumers repay outstanding debts, at a deep discount, to avoid being sued or filing for bankruptcy. Monthly payments are then made by consumers to the debt settlers in turn for which the debt settlers claim to negotiate with creditors to reduce the amount of debt owed.

Anyone wishing to file a complaint against Able Debt Settlement may do so by calling the Consumer Protection Hotline at 1-800-368-8808, or by obtaining a complaint form from the Consumer web page at www.wvago.gov.

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